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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 004440

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TAGS: [PGOV](#) [PREL](#) [TW](#) [CH](#) [US](#)

SUBJECT: CAMPAIGNING ON CROSS-STRAIT TENSIONS

Classified By: AIT Taipei Director Douglas Paal. Reasons 1.4 (b,d)

1.(C) With the Taiwan-wide elections for mayors and county magistrates a little over a month away, two themes are dominating the campaign efforts of the DPP and the KMT. The first is corruption and governance; the second is cross-Strait relations and defense. The KMT and its new chairman Ma Ying-jeou have begun attacking the DPP administration and President Chen over a series of corruption scandals and the continuing weak state of the Taiwan economy. They have complemented this with a series of initiatives designed to show that they are the only party capable of improving cross-Strait political relations and business climate. Chen has counter attacked by insisting that the DPP has actually taken the initiative in fighting corruption and claiming that the KMT control of the Legislative Yuan has made it impossible for the DPP administration to govern effectively. Chen's emphasis on cross-Strait themes has the potential to increase cross-Strait tensions as his rhetoric did during the 2004 presidential and legislative elections.

2.(C) In both the 2004 presidential and legislative elections, Chen and his DPP campaign advisors promised that their campaign would focus on internal Taiwan concerns and avoid cross-Strait or Taiwan independence issues. Each time, Chen subsequently decided that the most effective way to mobilize the party's core supporters and overcome criticism of his government's weak record on economic and other governance issues was to emphasize these same provocative themes. In this campaign, facing a more effective campaigner, Taipei Mayor Ma Ying-jeou, leading the opposition, the pressure on Chen to return to the themes of cross-Strait relations and Taiwan independence is growing once again.

3.(C) Domestically, Chen has been buffeted by accusations of corruption and poor governance. Polls and all of our contacts state unequivocally that Chen and the DPP's support is eroding rapidly. Long before the official campaign began, Chen made his initial effort to distract attention from his domestic political difficulties by announcing publicly in July that he intended to participate in the APEC leaders meeting in Korea this November. This was quickly dismissed as a publicity stunt. In October, Chen announced that he would instead dispatch the KMT President of the Legislative Yuan Wang Jin-pyng to APEC. By going public before either South Korea or China had agreed to the choice, Chen ensured its failure. For his domestic political agenda, that was the point: Chen had created another dramatic example of how China treats Taiwan and its DPP President unfairly. The problem for Chen so far is that China has wisely not risen to the bait and given him ugly statements to use domestically.

4.(C) Chen has echoed this same theme of PRC antagonism is raising obstacles to allowing PRC tourists to begin visiting Taiwan in large numbers and in blocking the visit of Chen Yunlin, the Director of the PRC State Council Taiwan Affairs Office. In the past week the DPP has sought to blame the PRC for its domestic political woes by claiming that TVBS, which has produced some of the most damaging evidence of high-level DPP corruption, is controlled by PRC interests. (This has already proved counter-productive in Taiwan.) Chen has criticized the KMT for encouraging PRC initiatives on tourism and visits to Taiwan that emphasize people-to-people ties over contacts with the government. Chen and the DPP have also suggested that the KMT's opposition to the Special Defense Budget reflects its willingness to encourage ties with China that might weaken Taiwan's separate status and hopes for eventual independence.

5.(C) The DPP's domestic political situation will likely worsen through the remaining weeks of the campaign as additional questions and allegations of corruption and mismanagement are raised by the media and the KMT opposition. Ma Ying-jeou will seek to contrast Chen and the DPP's failings with his reputation for personal integrity, his calls for clean government, and his efforts to reform the KMT. In this environment, it is almost inevitable that Chen will focus an increasing portion of his campaigning around strident accusations that the PRC is seeking to isolate and destabilize Taiwan and the KMT is complicit in their efforts.

6.(C) The challenge will be for the United States and China

to respond to Chen's campaign rhetoric in ways that diminish his efforts to increase cross-Strait tensions for his domestic ends. At the same time, cool disdain for such tactics, expressed from officials in Washington, is most likely to help control the situation, much as statements from State and White House helped blunt Chen's tactics in last year's LY elections.

Keegan